

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAIIAN ELECTRIC COMPANY, INC.)

DOCKET NO. 04-0110

For Approval to Construct an)
Overhead 46 kV Subtransmission)
Line Pursuant to Hawaii Revised)
Statutes Section 269-27.5, for)
Item P0000926, the Mililani)
Mauka North Gulley 46 kV Line)
Relocation Project.)

DECISION AND ORDER NO. 21329

Filed Sept. 2, 2004
At 9 o'clock A.M.

Karen Higashi
Chief Clerk of the Commission

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KAREN HIGASHI
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Commission, State of Hawaii.

K. Higashi

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DECISION AND ORDER

I.

Background

For Item P0000926, the Mililani Mauka North Gulley 46 kilovolt ("kV") Line Relocation Project ("Project"), HAWAIIAN ELECTRIC COMPANY, INC. ("HECO") requests that the commission: (1) conduct a public hearing for the overhead construction of a 46 kV subtransmission line through a residential area, pursuant to Hawaii Revised Statutes ("HRS") § 269-27.5; and (2) find that the relocation of the overhead 46 kV subtransmission line above the surface of the ground is consistent with HRS § 269-27.6(a).¹ The Project's total estimated cost is \$305,000.

HECO served copies of its application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate").

¹HECO's application, filed on May 14, 2004.

On July 29, 2004, the commission held a public hearing on HECO's application, pursuant to HRS § 269-27.5, at the Mililani Mauka Elementary School Cafeteria.² HECO's Vice President of Energy Delivery and the Consumer Advocate orally testified and submitted written comments. No one from the general public appeared or testified at the public hearing.

The Consumer Advocate does not object to the commission's approval of HECO's application.³ This decision and order addresses HECO's request, as mandated by HRS § 269-27.6(a).⁴

II.

Line Relocation Project

The Project will involve the relocation of approximately 1,000 circuit feet of HECO's existing Wahiawa-Mililani 46 kV overhead subtransmission line and its Kuahelani #1 12 kV overhead distribution line located in the Mililani Mauka, North Gulley area, mauka of the H-2 freeway, and also traversing the H-2 freeway, makai bound. Attachments 1 and

²The Notice of Public Hearing was duly published in: (1) The Garden Island, Hawaii-Tribune Herald, Honolulu Star-Bulletin, The Maui News, and West Hawaii Today, on July 6, 13, 20, and 27, 2004; and (2) the Honolulu Advertiser, on July 9, 2004. In addition, on July 28, 2004, the Consumer Advocate issued a Press Release encouraging residents to express their opinions on HECO's Project at the public hearing or by written comments.

³Consumer Advocate's position statement, filed on August 3, 2004.

⁴On August 11, 2004, HECO, with the Consumer Advocate's concurrence, informed the commission that its application is ready for decision-making. See HECO's letter, dated August 11, 2004.

2 to HECO's application consist of maps and diagrams illustrating the Project's scope of work. The 46 kV and 12 kV lines are located on property owned by Castle & Cooke Homes Hawaii, Inc. ("Castle & Cooke"), the developer of the Mililani Mauka and Mililani Town subdivisions.

Specifically:

1. Approximately 1,000 circuit feet, respectively, of 556.5 KCM AAC 46 kV overhead conductors, 336.4 KCM AAC 12 kV overhead conductors, and 336.4 KCM AAC neutral conductors, will be installed, along with two (2) steel poles, three (3) wood poles, and four (4) anchor rods.⁵

2. Once installed, tested, and energized, the newly relocated 46 kV and 12 kV lines will be cutover to the existing circuits at both ends, effectively replacing the existing 46 kV and 12 kV lines, which will be removed.⁶

⁵The height of the poles are: (1) steel poles, 120-feet and 107-feet, respectively; and (2) wood poles, one (1) 90-feet and two (2) 70-feet poles.

The steel poles are being installed as part of a State Department of Transportation ("DOT") requirement that freeway crossings have double dead end conductor loading strength requirements. The steel poles are designed to keep the span of overhead lines crossing the H-2 intact in the event of a conductor breakage on the opposite side of the poles. One of the steel poles will replace a wooden pole that is adjacent to a residence on Lalai Street in the Mililani Town area, makai of the H-2 freeway.

⁶HECO "will remove four wood poles (two 80-feet and two 120-feet), and approximately 1,000 circuit feet of 46 kV, 12 kV and neutral conductors." HECO's written comments, dated July 29, 2004, at 5.

Castle & Cooke requests this relocation "in order to construct a drainage basin as part of its off-site improvements for its housing development projects in Mililani Mauka, since the current location of HECO's existing poles and lines [will] interfere with the grading required to construct this drainage basin."⁷ "Once the drainage basin and associated grading work is completed, HECO will be unable to adequately access the existing poles and facilities for repair and maintenance purposes[,] unless the 46 kV and 12 kV lines are relocated."⁸ The Project "will make the relocated facilities accessible to HECO trucks and equipment for repair and maintenance purposes."⁹

In essence, HECO proposes to relocate the 46 kV and 12 kV lines in an alignment outside of the drainage basin. It represents that "[t]he new poles and lines will be approximately the same height as the existing poles and lines that are being removed."¹⁰

HECO notes that while the relocated 46 kV and 12 kV lines will remain on Castle & Cooke's property, currently zoned P-2 (Preservation), "the relocated 46 kV and 12 kV lines will be visible from the same residential homes in nearby Olaloa Community Housing as the existing 46 kV and 12 kV lines are now."¹¹

⁷HECO's application, at 3.

⁸Id.

⁹Id. at 5.

¹⁰HECO's comments, dated July 29, 2004, at 2 - 3.

¹¹HECO's application, at 5.

HECO will relocate these segments of the 46 kV and 12 kV lines in accordance with the one (1)-time relocation provision set forth in the Grant of Easement, dated January 22, 1973, between Castle & Cooke, Inc., Mililani Town, Inc., and HECO. Castle & Cooke will grant HECO a substitute easement to relocate these segments of the 46 kV and 12 kV lines from the current alignment to the relocated alignment within Castle & Cooke's northern boundary. HECO proposes to commence construction in September 2004, with a projected completion date of October 2004.

III.

HRS § 269-27.6(a)

HRS § 269-27.6(a) provides:

Construction of high-voltage electric transmission lines; overhead or underground construction.

(a) Notwithstanding any law to the contrary, whenever a public utility applies to the public utilities commission for approval to place, construct, erect, or otherwise build a new forty-six kilovolt or greater high-voltage electric transmission system, either above or below the surface of the ground, the public utilities commission shall determine whether the electric transmission system shall be placed, constructed, erected, or built above or below the surface of the ground; provided that in its determination, the public utilities commission shall consider:

- (1) Whether a benefit exists that outweighs the costs of placing the electric transmission system underground;
- (2) Whether there is a governmental public policy requiring the electric transmission system to be placed, constructed, erected, or built underground, and the governmental agency establishing the policy commits funds for the additional costs of undergrounding;

- (3) Whether any governmental agency or other parties are willing to pay for the additional costs of undergrounding;
- (4) The recommendation of the division of consumer advocacy of the department of commerce and consumer affairs, which shall be based on an evaluation of the factors set forth under this subsection; and
- (5) Any other relevant factors.

IV.

HECO's Position

HECO asserts that the Project is consistent with HRS § 269-27.6(a):

1. Subsection (a)(1): The benefits, if any, of placing the 46 kV circuit underground do not outweigh the costs. In particular, it will cost about four (4) times more to underground the 46 kV circuit than to construct it overhead, "based on an estimated cost of \$1,172,493 for an underground 46 kV circuit versus the \$304,997 estimated overhead 46 kV circuit cost."¹² Also, "[t]he visual impact will not be significantly increased, since there are existing 46 kV overhead circuits already in the area . . . [and] the portion of the 46 kV line that is being relocated is only moving between 200 to 300 feet."¹³

¹²Id. at 6. See also Attachment 7 to HECO's application, "46 kV Cost Comparison, Overhead vs. Underground."

¹³Id. at 6.

2. Subsections (a)(2) and (3): To HECO's knowledge, there is no governmental public policy requiring the undergrounding of the subject line, and there is no governmental agency or other party willing to pay for the additional costs of undergrounding.¹⁴

3. Subsection (a)(4): The Consumer Advocate does not object to HECO's Project.¹⁵

V.

Consumer Advocate's Position

A.

HRS § 269-27.6(a)

The Consumer Advocate, in its review of the Project pursuant to HRS § 269-27.6(a), finds that:

1. Subsection (a)(1): The Project's estimated cost is \$305,000, and HECO's estimated cost to underground the 46 kV lines is approximately \$1.173 million, or four (4) times the cost of placing the lines above the surface of the ground.

¹⁴Specifically, HECO, by correspondence, asked the DOT, Castle & Cooke, and the City and County of Honolulu ("City"), if they were willing to pay the additional costs for undergrounding. DOT responded that it does not have the funds for the undergrounding, nor is the Project identified in the Statewide Transportation Improvement Plan. See Attachment 9 to HECO's application, DOT's response, dated March 10, 2004. Castle and Cooke replied that "undergrounding the line beneath the drainage corridor and the H-2 freeway is neither practical from an engineering standpoint, nor feasible for Castle & Cooke at this time." See Attachment 9 to HECO's application, Castle & Cooke's response, dated March 29, 2004. The City replied that it "do[es] not wish to expend City funds towards the undergrounding of the subject lines." See Attachment to HECO's letter, dated August 17, 2004.

¹⁵See Consumer Advocate's position statement.

There are no benefits that outweigh this cost differential. In particular:

- A. There will be no additional visual impact of the relocated 46 kV lines since the lines will move approximately 200 to 300 feet from the existing alignment.
- B. The same residential homes in the nearby Olaloa Community Housing will be visually impacted by the proposed relocation.
- C. The steel pole adjacent to the residence on Lalai Street that will replace the existing wooden pole will be placed on land zoned AG-1, Agriculture.

2. Subsection (a)(2): "[T]here does not appear to be any governmental policy requiring the placement, construction, erection, or building [of] electric transmission systems underground[,]" and "there is no governmental mandate requiring the underground placement of the . . . 46 kV transmission lines."¹⁶

3. Subsection (a)(3): "[T]here does not appear to be any governmental agency or other party (e.g., developer or community association) willing to pay the additional costs to underground the relocated transmission facilities."¹⁷ Specifically, in response to HECO's inquiries as to whether a

¹⁶Id. at 4 - 5.

¹⁷Id. at 6.

governmental agency or developer is willing to pay for the additional costs to underground the facilities:

A. The DOT notes the absence of funds to underground the relocated facilities.

B. Castle & Cooke states that "undergrounding the line beneath the drain corridor and the H-2 freeway is neither practical from an engineering standpoint, nor feasible for Castle and Cooke at this time."¹⁸

4. Subsection (a)(5): No one from the general public attended the public hearing or submitted testimony expressing any concerns with the relocation of a portion of the existing 46 kV lines. Thus, "it does not appear that the public who will be visually impacted by the proposal to relocate a portion of the existing transmission lines to other overhead facilities has concerns with the . . . [P]roject."¹⁹

B.

Conclusion

The Consumer Advocate concludes that: (1) the relocation of the existing 46 kV lines is reasonable since HECO needs to access its transmission and distribution facilities to repair and maintain such facilities, once the drainage basin is constructed; (2) it does not, in this instance, recommend the underground placement of the relocated 46 kV lines; and (3) it

¹⁸Attachment 9, page 2, of HECO's application.

¹⁹Consumer Advocate's position statement, at 6.

does not object to the overhead construction of the relocated 46 kV lines, as proposed by HECO.

VI.

HRS § 269-27.6(a)

The commission finds that the Project's relocation of the 46 kV lines above ground is consistent with HRS § 269-27.6(a). Specifically:

1. The commission is: (A) not convinced that a benefit exists that outweighs the estimated four (4)-fold costs of undergrounding the 46 kV lines; and (B) unaware of any governmental policy either requiring the undergrounding or committal of funds for the costs of undergrounding the subject 46 kV lines.

2. No governmental agency or other entity has expressed a willingness to pay for the undergrounding. In this respect, HECO represents that: (A) it will cost approximately four (4) times more, i.e., \$1.173 million, to underground the relocated facilities; and (B) funds from the government and private sectors are not available to pay for the cost differential between the underground and overhead facilities.

3. The Consumer Advocate finds reasonable the relocation of the 46 kV lines, and it does not object to the installation of the relocated 46 kV lines above ground.

4. There will be no additional visual impact of the relocated 46 kV lines, as the relocated segment of lines will move approximately 200 to 300 feet from the existing alignment.

Also, the relocated 46 kV lines will run on land zoned P-2, Preservation, and the new steel pole adjacent to the residence on Lalai Street will be installed on land zoned AG-1, Agriculture.

Accordingly, the commission concludes that HECO's May 14, 2004 request to remove and relocate the Project's 46 kV subtransmission lines, above ground, should be approved.

VII.

Order

THE COMMISSION ORDERS that HECO's May 14, 2004 request to remove and relocate the Project's 46 kV subtransmission lines, above ground, is approved, pursuant to HRS § 269-27.6(a).

DONE at Honolulu, Hawaii SEP 02 2004.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By Carlito P. Caliboso
Carlito P. Caliboso, Chairman

By Wayne H. Kimura
Wayne H. Kimura, Commissioner

APPROVED AS TO FORM:

Michael Azama
Michael Azama
Commission Counsel

By Janet E. Kawelo
Janet E. Kawelo, Commissioner

04-0110.sl1

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21329 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DATED: SEP 02 2004